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The Honorable Chairman Powell  
Federal Communications Commission  
445 Twelfth Street, S.W.  
Washington, DC 20554



**Re: CC Docket No. 01-338  
Review of the Section 251 Unbundling Obligations of  
Incumbent Local Exchange Carriers**

Dear Chairman Powell:

I'm writing to bring to your attention the critical impact of the decision in the UNE Triennial Review on the fiber optics industry.

As you no doubt are aware, the industry is in a state of depression. Employment is off 75% from its peak in the year 2000, sales are down 70%, and industry capitalization has declined by 90%. Over half of the optical fiber and cable plants in the Nation have closed. And, the photonics industry has virtually disappeared.

You and your fellow Commissioners have an opportunity in the UNE Triennial Review to reverse these negative trends. The industry's plight has arisen from the failure of the carriers to invest in new technology. There is strong evidence that the unbundling and wholesale pricing rules are inhibiting such investment. Removal of these obligations will boost investment spending. A study by the Cambridge Strategic Marketing Group that is on the Commission's record shows that relieving fiber to the home from the unbundling and wholesale pricing obligations would increase deployment by a factor of six over the next 10 years and increase capital expenditures by a factor of nine from \$5 billion to \$45 billion.

In short, removing fiber to the home from the unbundling and wholesale pricing rules will drive the fiber optics industry out of depression, and establish the economic foundation for the deployment of next generation broadband capability throughout the Nation.

Our policy prescription is quite simple:

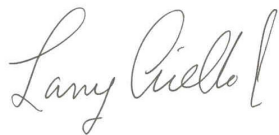
- relieve fiber to the home from the unbundling and wholesale pricing rules;  
and
- allow the incumbents to retire the old copper plant as they connect customers to new, advanced fiber to the home capability.

We believe this policy prescription is fair and reasonable because it will not impair the ability of competitors to provide broadband service. The evidence shows that competitors are able to self-provide fiber to the home capability. A full 68% of fiber to the home deployments to date have been by competitive local exchange carriers, while incumbents account for only 0.6%. Because fiber to the home technology requires all new outside plant, all carrier classes are in the same position to compete in the fiber to the home space.

I hope that you take this proposal into consideration as you approach your final decision in the UNE proceeding. The impact of your decision will be significant for the future of the fiber optics industry and all the workers employed in it. Whether we can re-open our facilities and re-employ our people will depend on what the Commission does next week.

I appreciate your taking our views into consideration.

All the best,

A handwritten signature in cursive script, reading "Larry Aiello".

Larry Aiello

CC: Commissioner Abernathy  
Commissioner Adelstein  
Commissioner Copps  
Commissioner Martin